

ORIGINAL

NEW APPLICATION



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

Arizona Corporation Commission  
**DOCKETED**

JAN 16 2009

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In the matter of:

Nicholas (Nick) S. Ballard, individually and  
doing business as Oasis of Wealth, Inc., a  
defunct Arizona entity, Oasis of Wealth, an  
Arizona registered trade name, and AZ Gold &  
Safaris, Inc., a defunct Arizona entity, and  
Jane Doe Ballard, Husband and Wife,  
Oasis of Wealth, Inc., a defunct Arizona entity,  
Respondents.

DOCKET NO. S-20650A-09-0014

**TEMPORARY ORDER TO CEASE AND  
DESIST AND NOTICE OF  
OPPORTUNITY FOR HEARING**

**NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY**

**EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING**

**EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that Respondents Nicholas (Nick) S. Ballard, individually and doing business as Oasis of Wealth, Inc., a defunct Arizona entity, Oasis of Wealth, an Arizona registered trade name, and AZ Gold & Safaris, Inc., is engaging in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act"), and that the public welfare requires immediate action.

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**I.****JURISDICTION**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

**II.****RESPONDENTS**

2. Nicholas (Nick) S. Ballard ("BALLARD") is an individual residing in Maricopa County, Arizona.

3. BALLARD transacts business under the name "AZ Gold & Safaris, Inc." ("AZ GOLD"). Pursuant to the records of the Arizona Corporation Commission, Corporations Division, AZ GOLD was organized under the laws of the state of Arizona on November 15, 2007 with its principal place of business in Phoenix, Arizona. BALLARD was listed as the sole director and chief executive officer of AZ GOLD. AZ GOLD was administratively dissolved on August 1, 2008 due to the failure to file the affidavit of publication.

4. BALLARD transacts business under the trade name "Oasis of Wealth" which was registered with the Arizona Secretary of State on October 18, 2006 and whose last known address is in Phoenix, Arizona. Pursuant to the records of the Arizona Secretary of State, BALLARD is the owner of this trade name.

5. BALLARD transacts business under the name "Oasis of Wealth, Inc." ("OASIS"). Pursuant to the records of the Arizona Corporation Commission, Corporations Division, OASIS was organized under the laws of the state of Arizona on July 23, 2007 with its principal place of business in Phoenix, Arizona. BALLARD was listed as the sole director of OASIS. OASIS was administratively dissolved on December 30, 2008 due to a delinquent annual report.

6. OASIS and BALLARD, individually and doing business as OASIS and/or AZ GOLD, may be referred to as "Respondents," as the context so requires. BALLARD shall also

1 mean BALLARD, individually and doing business as OASIS and/or AZ GOLD, as the context so  
2 requires.

3 7. Jane Doe Ballard has been at all relevant times the spouse of Respondent  
4 BALLARD and may be referred to individually as "Respondent Spouse." Respondent Spouse is  
5 joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of  
6 the marital community. At all relevant times, BALLARD has been acting for his own benefit and for  
7 the benefit or in furtherance of the marital community.

### 8 III.

### 9 FACTS

10 8. Respondents BALLARD and OASIS have internet websites at  
11 <http://www.azgoldsafaris.com> and <http://www.oasisofwealth.com>, respectively.

### 12 AZ GOLD WEBSITE

13 9. From at least October 22, 2008 to the present, BALLARD publicly offered and/or  
14 sold, within or from Arizona, unregistered securities in the form of investment contract(s), to at  
15 least one Potential Arizona Investor ("PAI") and/or Investor.

16 10. BALLARD distributed information about their products and services and solicited a  
17 PAI(s) and/or Investor(s) in Arizona through the AZ GOLD website or in electronic mail  
18 communications.

19 11. BALLARD is the registrant, administrative contact and technical contact for the  
20 website <http://www.azgoldsafaris.com>.

21 12. From at least October 22, 2008 to the present, BALLARD solicited the general  
22 public by providing on the AZ GOLD website under an Investment frame<sup>1</sup>, among other things, as  
23 follows:

### 24 "Investments

25 We are raising additional capital to expand our current operation. **We are**  
26 **selling silent partnerships in the company to accomplish this task.**  
**Shares in AZ Gold & Safaris Inc. are available at \$25 per share** and can

<sup>1</sup> <http://www.azgoldsafaris.com/Investments.php>

1 be purchased by calling our office (1-800-401-0052) or by requesting more  
2 information on this site." (*Errors in original, emphasis added*)

3 13. The AZ GOLD website at <http://www.azgoldsafaris.com> was still available on the  
4 internet, as of January 6, 2009 for all internet users to view the investment solicitation and  
5 investment description, without password protection or restricted access.

6 14. The AZ GOLD website offer for sale is specifically directed to any person in  
7 Arizona. The AZ GOLD Investment frame also allows persons to request information and contains  
8 a drop-down menu for the state field, whereby Arizona is listed in alphabetical order on the drop-  
9 down menu of state names.

10 15. The AZ GOLD homepage<sup>2</sup> states that it currently has four (4) sites that it has  
11 mineral rights to and the ability to mine an abundance of state land that will not require a mineral  
12 rights license or permit, for the equipment it employs. No detailed description or location of the  
13 four sites are disclosed or listed.

14 16. However, pursuant to the public records of the Arizona State Land Database and the  
15 Department of the Interior Bureau of Land Management, Mining Claims, AZ GOLD does not and  
16 has not possessed any state or federal mining claims in Arizona in the name of AZ GOLD.

17 17. Pursuant to the public records of the Department of the Interior Bureau of Land  
18 Management, Mining Claims, only one (1) federal claim, placer gold claim AMC # 386086, filed  
19 in Arizona for one (1) site in Yavapai County in the name of OASIS exists. A placer claim  
20 generally grants to the discoverer the right to mine on state or federal land, the valuable minerals  
21 contained in loose sand or gravel. Generally this is in the form of panning for gold by hand tools  
22 and equipment.

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<sup>2</sup> [http://www.azgoldsafaris.com/Home\\_Page.php](http://www.azgoldsafaris.com/Home_Page.php)

**OASIS WEBSITE**

18. OASIS is the registrant of the website <http://www.oasisofwealth.com>. BALLARD is the administrative contact and technical contact for the website <http://www.oasisofwealth.com> and BALLARD also maintains an electronic mail address of [nick@oasisofwealth.com](mailto:nick@oasisofwealth.com).

19. OASIS, from at least October 22, 2008 until their administrative dissolution on December 30, 2008, distributed information about their products and services and solicited a PAI(s) and/or Investor(s) in Arizona through the OASIS website or in electronic mail communications.

20. OASIS, from at least October 22, 2008 until their administrative dissolution on December 30, 2008, publicly offered and/or sold, within or from Arizona, unregistered securities in the form of investment contract(s) to at least one PAI and/or Investor.

21. From December 31, 2008 to the present, BALLARD continued to distribute information about their products and services and solicited a PAI(s) and/or Investor(s) in Arizona through the OASIS website or in electronic mail communications.

22. In addition, from December 31, 2008 to the present, BALLARD continued to publicly offer and/or sell, within or from Arizona, unregistered securities in the form of investment contract(s) to at least one PAI and/or Investor.

23. From at least October 22, 2008 to the present, the OASIS website at <http://www.oasisofwealth.com> solicited the general public for investment by providing on its website, among other things, as follows:

“We are focusing 100% of our efforts toward the gold mine! We know there is gold, we have gotten it to this point and now is the time we open it to you as an opportunity to make money with us. No more memberships will be sold for the next quarter.”

“[...].We want you as a partner we are selling portions of AZ Gold & Safaris Inc. to maintain operations for the next year. [...]”

24. The OASIS website at <http://www.oasisofwealth.com> was still available on the internet, as of January 6, 2009 for all internet users to view the investment solicitation and investment description, without password protection or restricted access.

25. The OASIS website homepage states OASIS was established in 2005; however pursuant to public records of the Commission, OASIS was formed on or about July 19, 2007 in Arizona.

## JOINT ALLEGATIONS

26. After discovering the website(s), a PAI contacted and communicated with BALLARD through electronic mail and telephone.

27. BALLARD told a PAI that OASIS is an investment company set up by him and that AZ GOLD is just one of the projects he is developing.

28. A PAI was told that their evidence of investment would be in the form of a stock certificate in AZ GOLD.

29. BALLARD sent to a PAI by electronic mail message the following:

“Our main objective is to go to work for you by strategically applying your investment to the pioneering techniques our company has developed. The returns on our investors money can be quite extreme due to the strategic planning and effective marketing our company has perfected. To provide the highest profit potential for our company and clients, like every project there will be multiple sources of revenue that will be created with AZ Gold & Safaris Inc. Not only will we produce revenue from the raw material but with this project we are also going to promote a tourism portion through jeep tours and gold panning safaris. This will create two streams of income with this one project and will do nothing but maximize your potential return once you have invested with us.”

30. BALLARD solicited a PAI for a direct investment into his venture by stating:

“With each share being only \$25 we have opened the doors for anyone to increase their net worth by strategically investing. We look forward to serving you and contributing to your financial growth.” (error in original)

31. BALLARD communicated to a PAI that Investor funds would generally be used toward the purchase of mining equipment, labor or maintenance to operate the mine operation.

1 BALLARD stated that "[t]his boils down to processing more material therefore producing more  
2 gold and revenue."

3 32. The OASIS website homepage also features a scrolling banner that states:

4 "Amazing returns for even the smallest investor. We do Everything!"  
5

6 33. BALLARD stated that he provides the following services to or on behalf of  
7 Investors:

8 a) Experience and expertise in prospecting for the right location for the project  
9 and future projects;

10 b) Filing and obtaining mineral rights or mining claims for the site;

11 c) Operating the gold mining site;

12 d) Marketing and operating the jeep tours and safaris to generate or increase  
13 revenue; and

14 e) Determining how any and all investment funds would be spent or allocated.

15 34. BALLARD communicated that money will be made from the raw gold that is mined  
16 and the sale of sluice as pay dirt. In addition, a percentage of profits made from jeep safari tours to  
17 the gold mine will be distributed to Investors as an additional source of income.

18 35. Investor returns would be based on the following payout schedule:

19 a) Five percent (5%) immediate payout in raw gold;

20 b) A percentage of the amount of gold that is produced by the operation paid  
21 out at the end of the quarter or year; and

22 c) A percentage of the amount of revenue created by the jeep tours and safaris  
23 paid out at the end of the year.

24 36. BALLARD stated that "[m]ining consists of multiple locations." However, pursuant  
25 to the public records of the Arizona State Land Database and the Department of the Interior Bureau  
26 of Land Management, Mining Claims, BALLARD has only one (1) federal claim in Arizona,

1 placer gold claim AMC # 386086, filed in Arizona for one (1) site in Yavapai County in the name  
2 of OASIS but zero state claims in Arizona.

3 37. BALLARD also offered a PAI an incentive to invest right away with a ten (10%)  
4 percent stock bonus program, wherein the PAI would be given an extra ten (10%) percent of total  
5 stock shares the PAI purchased in AZ GOLD.

6 38. BALLARD represented that a PAI or Investor who secured additional investments  
7 or monies from third parties, would be compensated.

8 39. BALLARD stated to a PAI that their evidence of investment would be in the form  
9 of a stock certificate in AZ GOLD; However, BALLARD failed to disclose to the PAI and/or  
10 Investor that AZ GOLD is a defunct Arizona corporation.

11 40. BALLARD represented to a PAI that Investor funds would generally be used  
12 toward the purchase of mining equipment, labor or maintenance to operate the mine operation.  
13 However, Respondent(s) failed to provide to the PAI and/or Investor salient financial and/or  
14 background information about the companies and/or individuals offering the investment opportunities  
15 being promoted regarding AZ GOLD and/or OASIS, including but not limited to, costs of operation  
16 and/or full details of Respondents' background and experience in gold mining operations.

17 41. Respondents fail to disclose the material risks associated with the investment(s) in AZ  
18 GOLD and/or OASIS, including but not limited to, the fact that an investor could lose all or a large  
19 portion of their principal investment. Neither the websites nor the electronic mail communications to  
20 all PAI(s) and/or Investor(s) disclose any material risks associated with the investment(s) in AZ  
21 GOLD and/or OASIS.

22 42. At all times relevant, BALLARD was not a registered salesman or registered dealer  
23 and OASIS was not a registered dealer.  
24  
25  
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**IV.****VIOLATION OF A.R.S. § 44-1841****(Offer and Sale of Unregistered Securities)**

43. From on or about October 22 2008 to the present, BALLARD has been offering or selling securities in the form of investment contract(s) within or from Arizona.

44. From on or about October 22, 2008 to December 30, 2008, OASIS had been offering or selling securities in the form of investment contract(s) within or from Arizona. From December 31, 2008 to the present, BALLARD continued to publicly offer and/or sell unregistered securities in the form of investment contract(s) within or from Arizona.

45. The securities referred to above are not registered pursuant to Articles 6 or 7 of the Securities Act.

46. This conduct violates A.R.S. § 44-1841.

**V.****VIOLATION OF A.R.S. § 44-1842****(Transactions by Unregistered Dealers or Salesmen)**

47. From on or about October 22, 2008 to the present, BALLARD has been offering or selling securities within or from Arizona while not registered as a dealer or salesman pursuant to Article 9 of the Securities Act.

48. From on or about October 22, 2008 to December 30, 2008, Respondent OASIS had been offering or selling securities within or from Arizona while not registered as a dealer pursuant to Article 9 of the Securities Act.

49. This conduct violates A.R.S. § 44-1842.

## VI.

## VIOLATION OF A.R.S. § 44-1991

## (Fraud in Connection with the Offer or Sale of Securities)

50. In connection with the offer or sale of securities within or from Arizona, Respondent(s) are, directly or indirectly: (i) employing a device, scheme, or artifice to defraud; (ii) making untrue statements of material fact or omitting to state material facts that are necessary in order to make the statements made not misleading in light of the circumstances under which they are made; or (iii) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit upon offerees and Investors. Respondent(s) conduct includes, but is not limited to, the following:

a) The AZ GOLD website homepage states that it currently has four (4) sites that it has mineral rights to and the ability to mine an abundance of state land that will not require a mineral rights license or permit, for the equipment it employs. No detailed description or location of the four sites are disclosed or listed. However, pursuant to the public records of the Arizona State Land Database and the Department of the Interior Bureau of Land Management, Mining Claims, AZ GOLD does not and has not possessed any state or federal mining claims in Arizona in the name of AZ GOLD;

b) In electronic mail communication stating that "[m]ining consists of multiple locations." However, pursuant to the public records of the Arizona State Land Database and the Department of the Interior Bureau of Land Management, Mining Claims, OASIS has one (1) federal claim in Arizona, placer gold claim AMC # 386086, filed in Arizona for one (1) site in Yavapai County but zero state claims in Arizona;

c) Stated to a PAI that their evidence of investment would be in the form of a stock certificate in AZ GOLD; However, Respondent(s) failed to disclose to the PAI and/or Investor that AZ GOLD is a defunct Arizona corporation;

1           d)     Communicated to a PAI that Investor funds would generally be used  
2 toward the purchase of mining equipment, labor or maintenance to operate the mine operation.  
3 However, Respondent(s) failed to provide to the PAI and/or Investors salient financial and/or  
4 background information about the companies and/or individuals offering the investment  
5 opportunities being promoted regarding AZ GOLD and/or OASIS, including but not limited to,  
6 costs of operation and/or full details of Respondent(s) background and experience in gold mining  
7 operations; and

8           e)     Failing to disclose the material risks associated with the investment(s) in AZ  
9 GOLD and/or OASIS, including but not limited to, the fact that an investor could lose all or a large  
10 portion of their principal investment.

11         51.     This conduct violates A.R.S. § 44-1991.

12                                 **VII.**

13                                 **TEMPORARY ORDER**

14                                 **Cease and Desist from Violating the Securities Act**

15         THEREFORE, based on the above allegations, and because the Commission has determined  
16 that the public welfare requires immediate action,

17         IT IS ORDERED, pursuant to A.R.S. § 44-1972(C) and A.A.C. R14-4-307, that  
18 Respondents, their agents, servants, employees, successors, assigns, and those persons in active  
19 concert or participation with Respondents CEASE AND DESIST from any violations of the  
20 Securities Act.

21         IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in  
22 effect for 180 days unless sooner vacated, modified, or made permanent by the Commission.

23         IT IS FURTHER ORDERED that this Order shall be effective immediately.

24                                 **VIII.**

25                                 **REQUESTED RELIEF**

26         The Division requests that the Commission grant the following relief:

1. Order Respondents to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. § 44-2032;

2. Order Respondents to take affirmative action to correct the conditions resulting from Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. § 44-2032;

3. Order Respondents to pay the state of Arizona administrative penalties of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

4. Order that the marital community of BALLARD and Respondent Spouse are subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action pursuant to A.R.S. §§ 25-215 and 44-2031(C); and

5. Order any other relief that the Commission deems appropriate.

## IX.

## HEARING OPPORTUNITY

Each respondent, including Respondent Spouse, may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-307. **If a Respondent or Respondent Spouse requests a hearing, the requesting respondent must also answer this Temporary Order and Notice.** A request for hearing must be in writing and received by the Commission within 20 days after service of this Temporary Order and Notice. The requesting respondent must deliver or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at [www.azcc.gov/divisions/hearings/docket.asp](http://www.azcc.gov/divisions/hearings/docket.asp).

If a request for hearing is timely made, the Commission shall schedule a hearing to begin 10 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. **Unless otherwise ordered by the Commission, this Temporary Order shall remain effective from the date a hearing is requested until a decision is entered.** After a hearing, the Commission may vacate, modify, or make permanent this Temporary Order,

1 with written findings of fact and conclusions of law. A permanent Order may include ordering  
2 restitution, assessing administrative penalties, or other action.

3 If a request for hearing is not timely made, the Division will request that the Commission  
4 make permanent this Temporary Order, with written findings of fact and conclusions of law, which  
5 may include ordering restitution, assessing administrative penalties, or other relief.

6 Persons with a disability may request a reasonable accommodation such as a sign language  
7 interpreter, as well as request this document in an alternative format, by contacting Linda Hogan,  
8 ADA Coordinator, voice phone number (602) 542-3931, e-mail [lhogan@azcc.gov](mailto:lhogan@azcc.gov). Requests  
9 should be made as early as possible to allow time to arrange the accommodation.

10 **X.**

11 **ANSWER REQUIREMENT**

12 Pursuant to A.A.C. R14-4-305, if a Respondent or Respondent Spouse requests a hearing,  
13 the requesting respondent must deliver or mail an Answer to this Temporary Order and Notice to  
14 Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona  
15 85007, within 30 calendar days after the date of service of this Temporary Order and Notice.  
16 Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the  
17 Commission's Internet web site at [www.azcc.gov/divisions/hearings/docket.asp](http://www.azcc.gov/divisions/hearings/docket.asp).

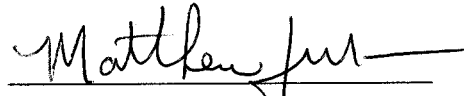
18 Additionally, the answering respondent must serve the Answer upon the Division.  
19 Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-  
20 delivering a copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix,  
21 Arizona, 85007, addressed to Phong (Paul) Huynh.

22 The Answer shall contain an admission or denial of each allegation in this Temporary  
23 Order and Notice and the original signature of the answering respondent or the respondent's  
24 attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial  
25 of an allegation. An allegation not denied shall be considered admitted.

1 When the answering respondent intends in good faith to deny only a part or a qualification  
2 of an allegation, the respondent shall specify that part or qualification of the allegation and shall  
3 admit the remainder. Respondent waives any affirmative defense not raised in the Answer.

4 The officer presiding over the hearing may grant relief from the requirement to file an  
5 Answer for good cause shown.

6  
7 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 16 day of  
8 January, 2009.

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10 Matthew J. Neubert  
11 Director of Securities  
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